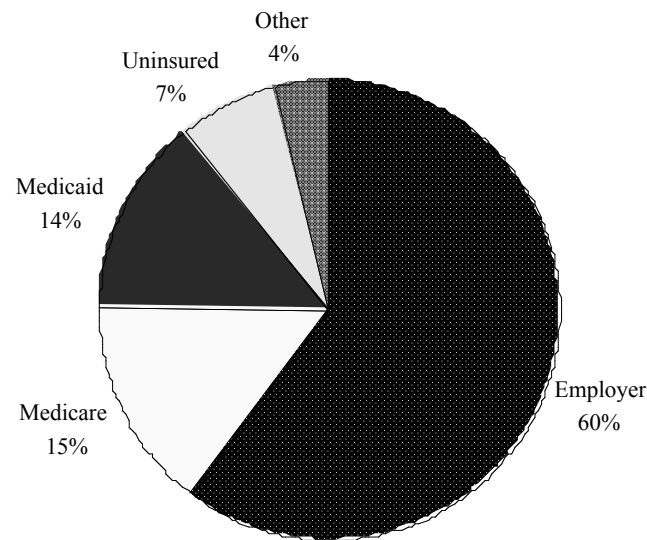


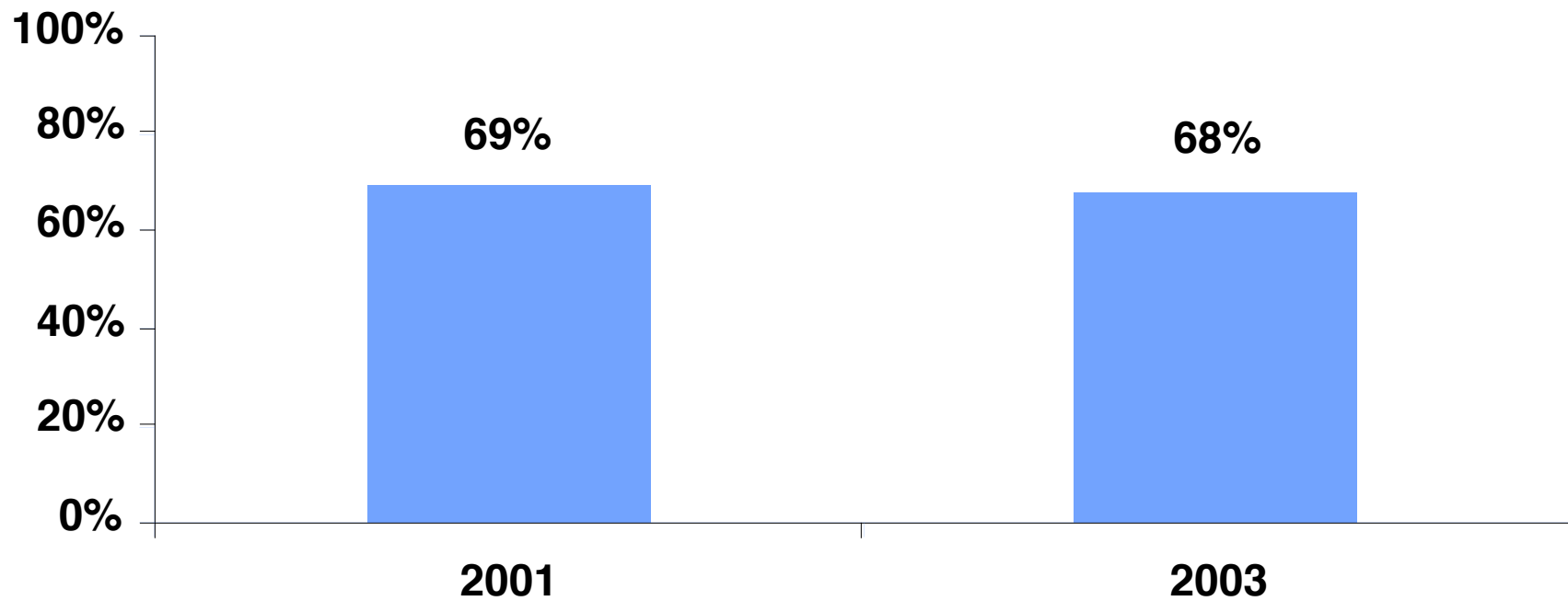
Source of Insurance Coverage for Massachusetts Residents (2002)



- 61% of Massachusetts residents are covered under an employer-sponsored health insurance plan, making it the most common source of health insurance for residents.

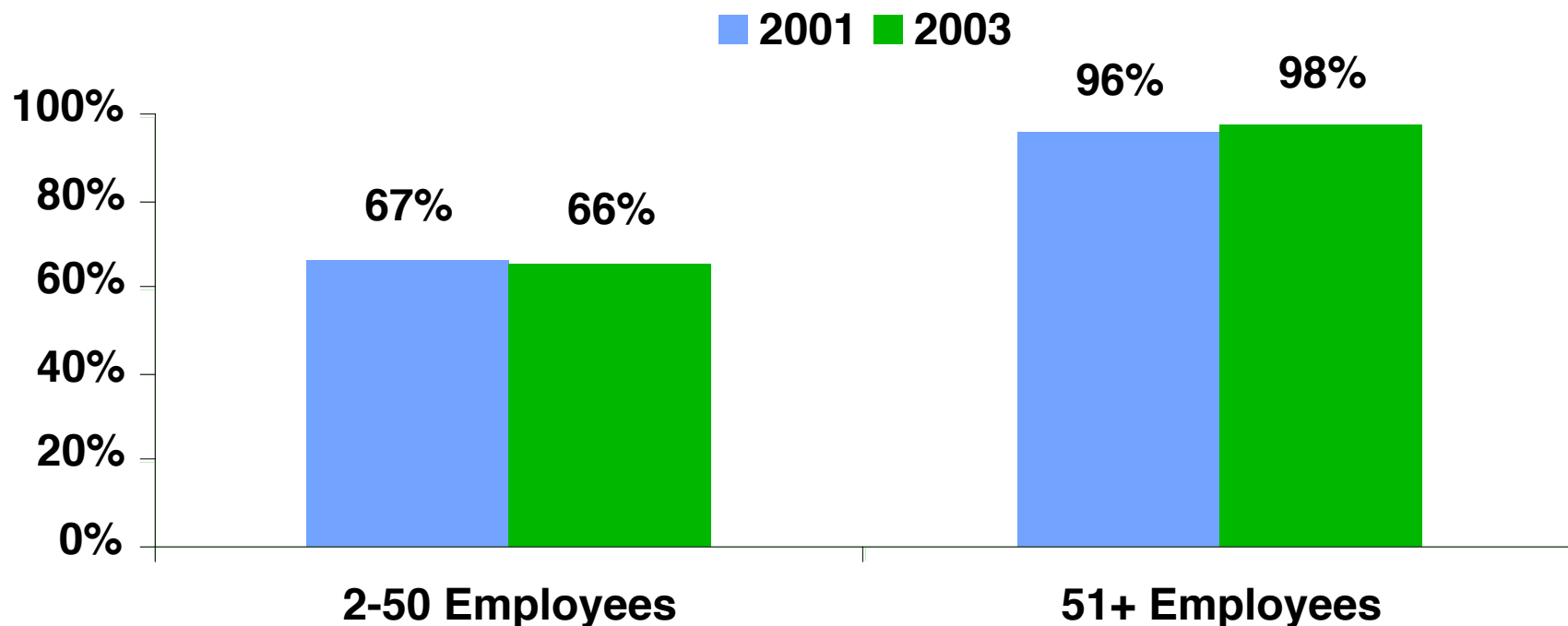
Sources: US Census Bureau, 2000 (total population data); Division of Health Care Finance and Policy 2002 Health Insurance Status of Massachusetts Residents ("Employer" includes military, group (union), past/former employer; "Other" includes direct pay, school based and miscellaneous); Centers for Medicare and Medicaid Services (Medicare data as of July 1, 2001; Medicaid data from November 30, 2000, snapshot as of June 30, 2000); Division of Medical Assistance.

Employers That Offer Employees Insurance (2001, 2003)



- Slightly fewer employers offered their employees insurance in 2003 than in 2001. However, the difference is not statistically significant.

Employers That Offer Employees Insurance, by Employer Size (2001, 2003)

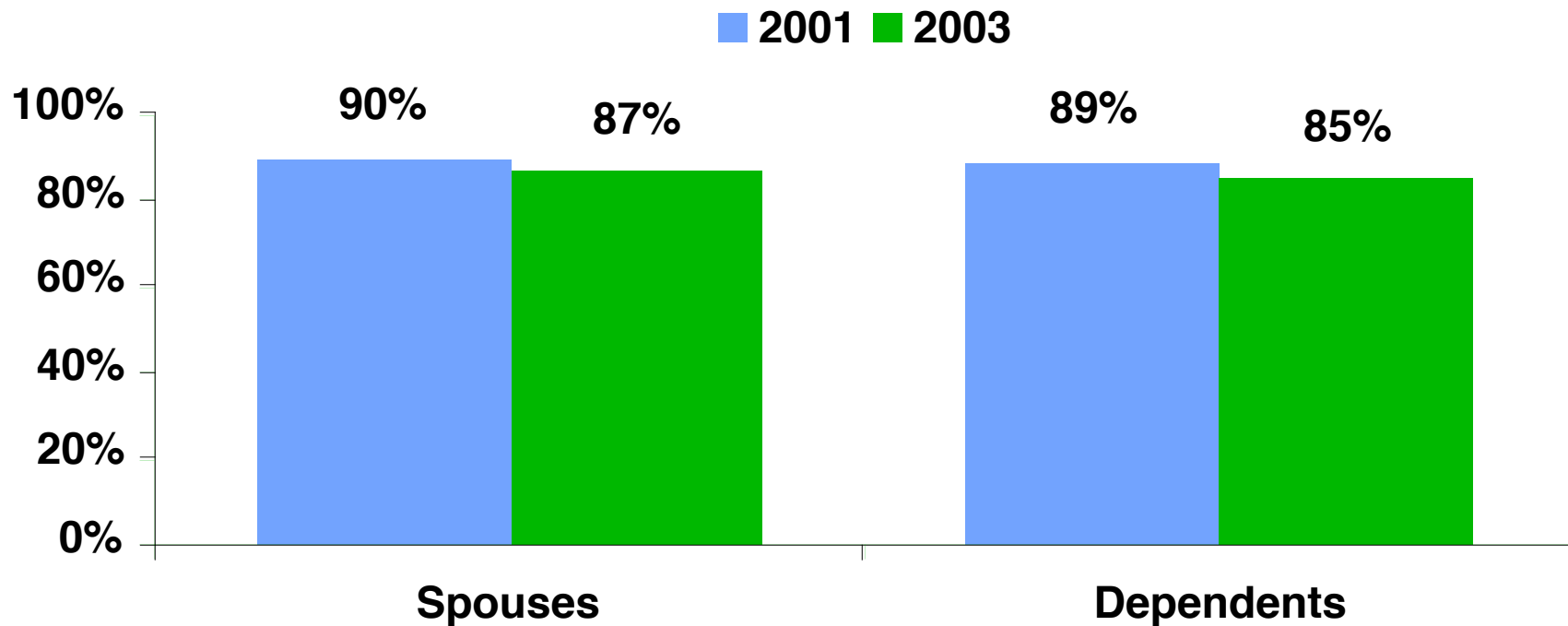


- Large employers are substantially more likely to offer their employees insurance than small employers. Their offer rate grew in 2003; the offer rate of small employers dropped slightly. However, neither change is statistically significant.

Percent of Employers That Offer Insurance That Offer Only One Plan, by Size (2001, 2003)

Employer Size	2001	2003
2 to 50	78%	86%
51+	45%	47%

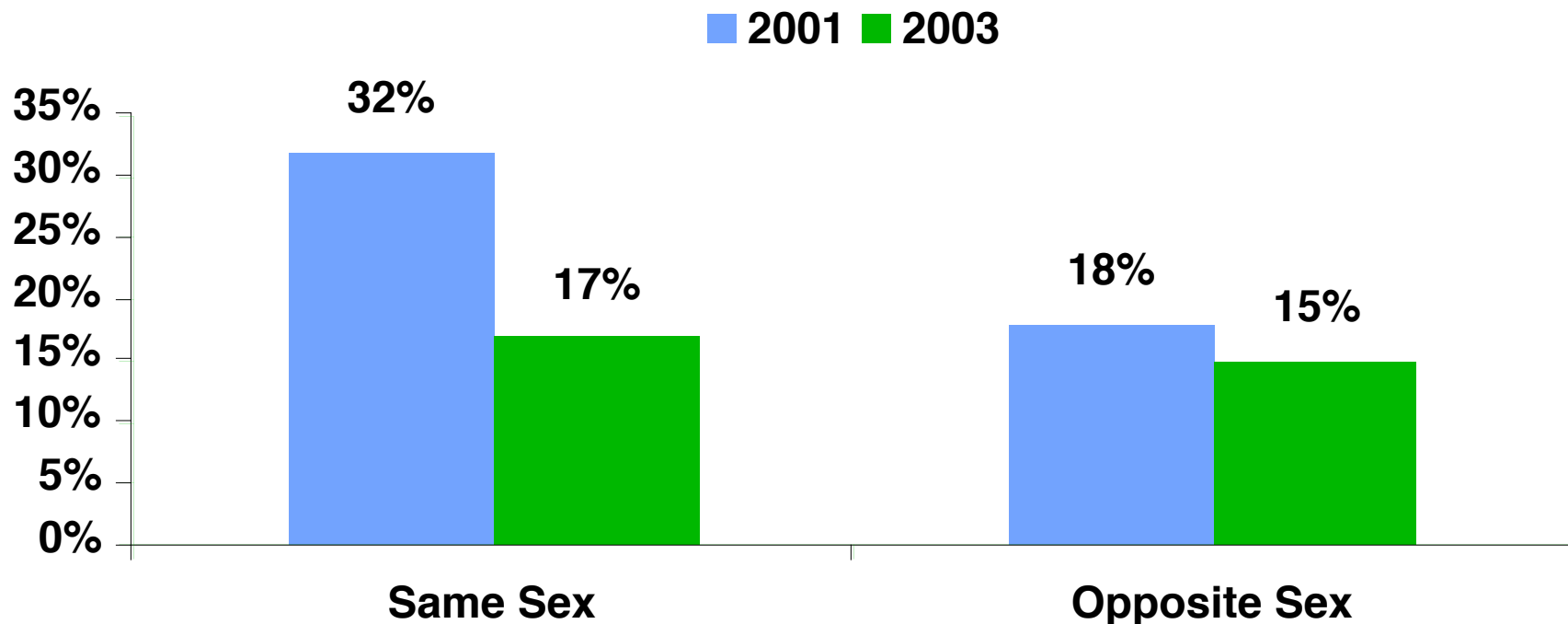
Employers* That Offer Insurance to Spouses and Dependents (2001, 2003)



- Fewer employers offered coverage to spouses and dependents in 2003 than in 2001. The change in the spousal offer rate is not statistically significant.

* These employers include only those who offer health insurance to employees (see slide #2).

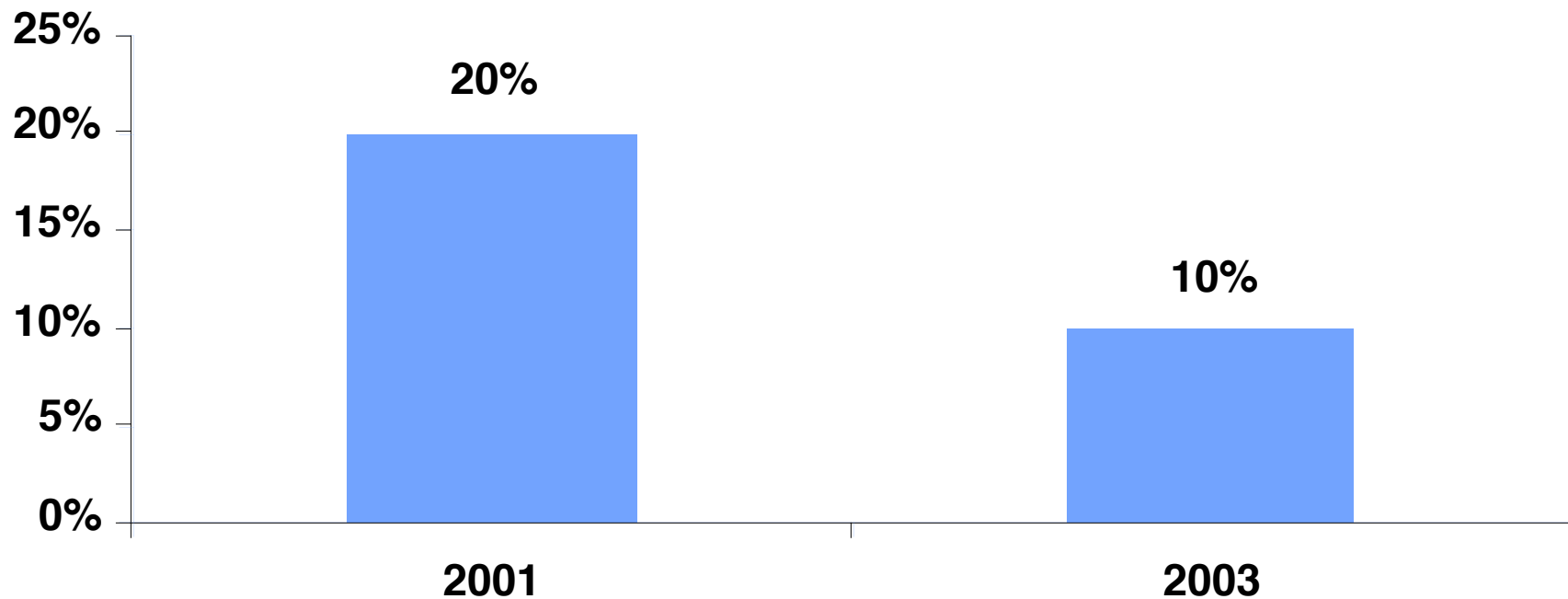
Employers* That Offer Insurance to Same-sex and Opposite-sex Partners (2001, 2003)



- Fewer employers offered insurance to same-sex partners, as well as to opposite-sex partners, in 2003 than in 2001. The change in the offer rate to opposite sex partners is not statistically significant.

* These employers include only those who offer health insurance to employees (see slide #2).

Employers* That Offer Insurance to Their Retirees, Age 65 and Older (2001, 2003)



- Fewer employers offered insurance to their retirees, age 65 and older, in 2003 than in 2001.

* These employers include only those who offer health insurance to employees (see slide #2).

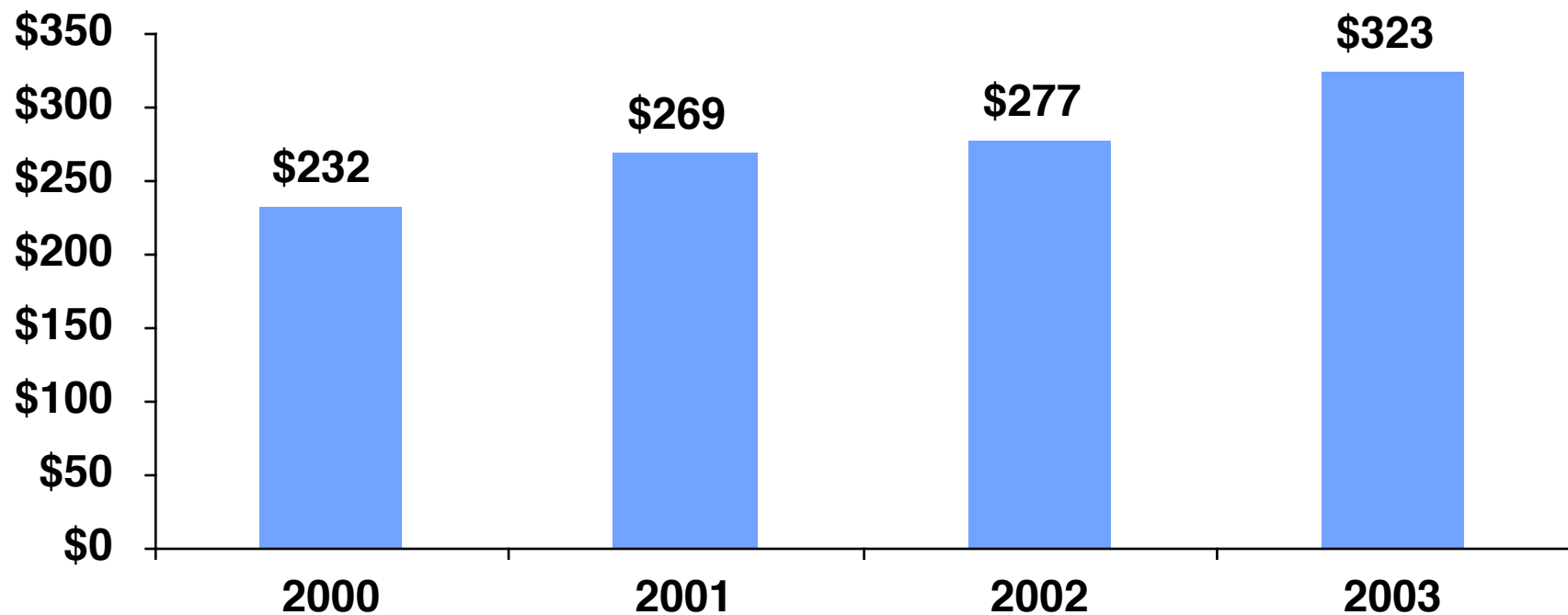
Percent of Employers That Offer Select Other Benefits, All Employers (2001, 2003)

Benefit	2001	2003
Dental Insurance	37%	32%
Life Insurance	38%	32%
Disability Insurance	37%	31%
Retirement or Pension Plan	53%	46%
Pretax Account for Uncovered Health Expenses	20%	17%

**Of Employers That Offer Health Insurance,
Percent That Offer Select Other Benefits (2001, 2003)**

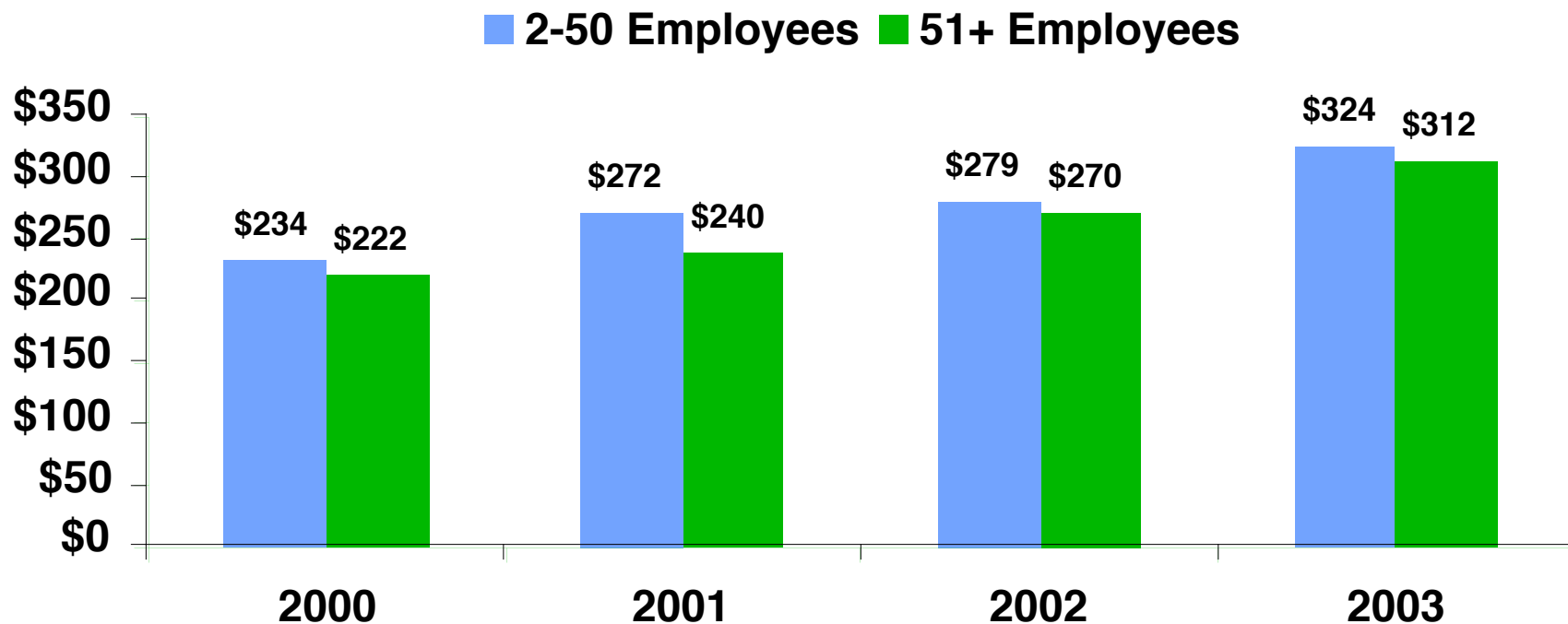
Benefit	2001	2003
Dental Insurance	51%	47%
Life Insurance	51%	46%
Disability Insurance	50%	45%
Retirement or Pension Plan	70%	61%
Pretax Account for Uncovered Health Expenses	28%	23%

Monthly Premiums for Individual Plans (2000-2003)



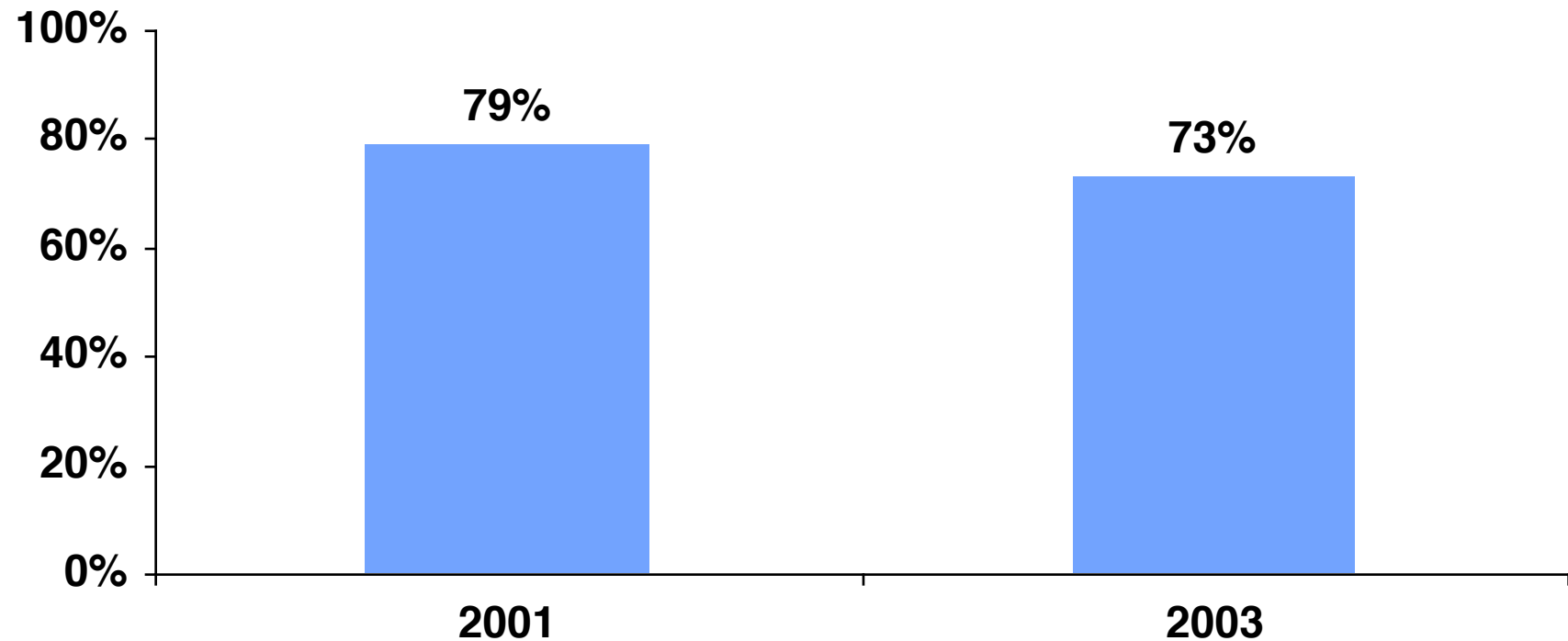
- From 2002 to 2003, individual plan premiums rose 17% on average. From 2000 to 2003, premiums increased by 39%.

Total Premiums for Individual Plans, by Employer Size (2000-2003)



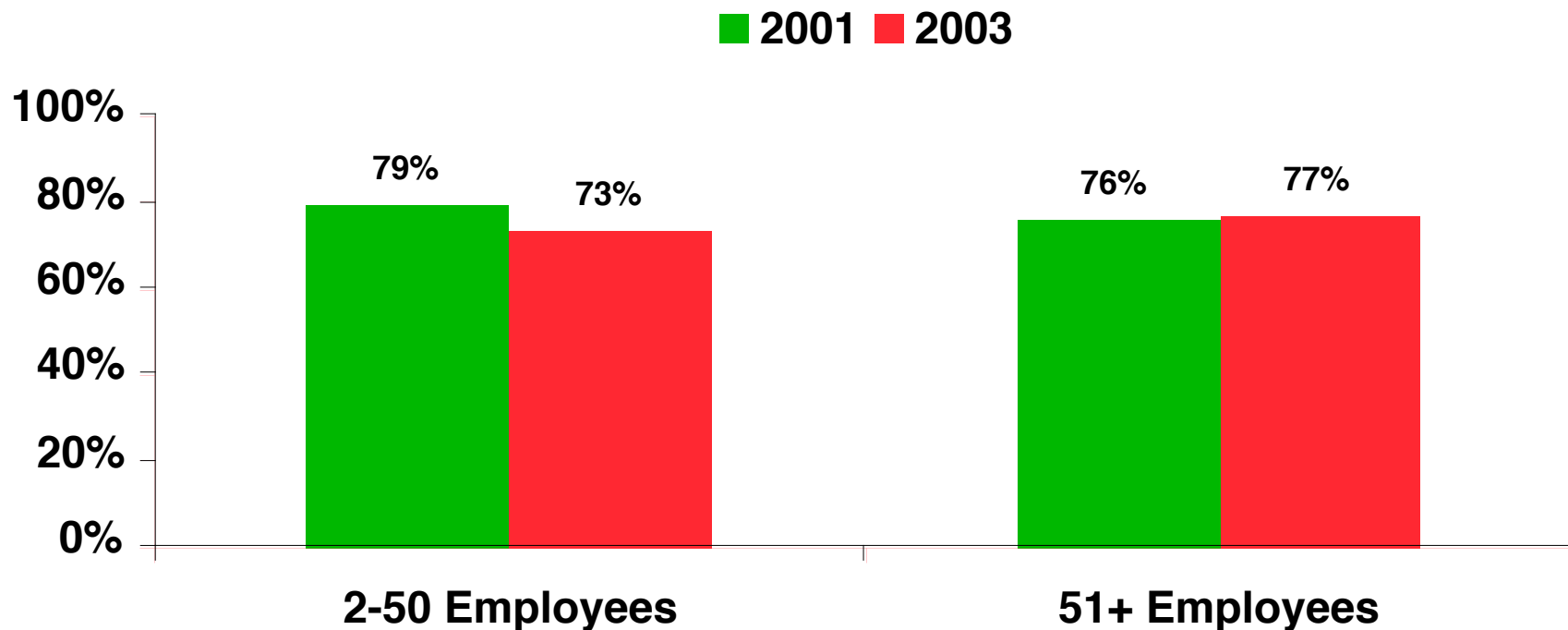
- Total premiums for plans through small employers were higher than for plans through large employers. However, premiums increased at a lower rate for small employer plans than large employer plans (38% vs. 41%) from 2000 to 2003.

Employer Contribution to Total Individual Plan Premium (2001, 2003)



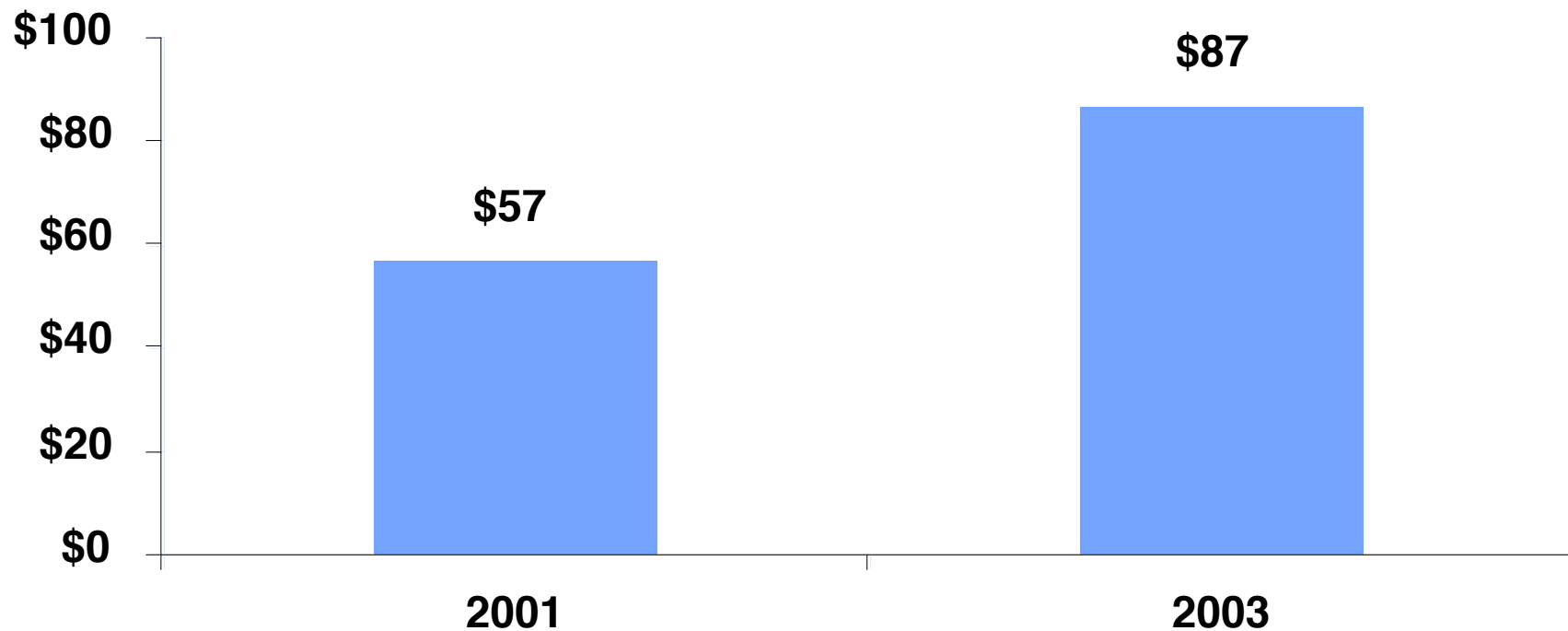
- The employer contribution to total premium for individual plans dropped 6% on average from 2001 to 2003.

Employer Contribution to Total Individual Plan Premium, by Employer Size (2001, 2003)



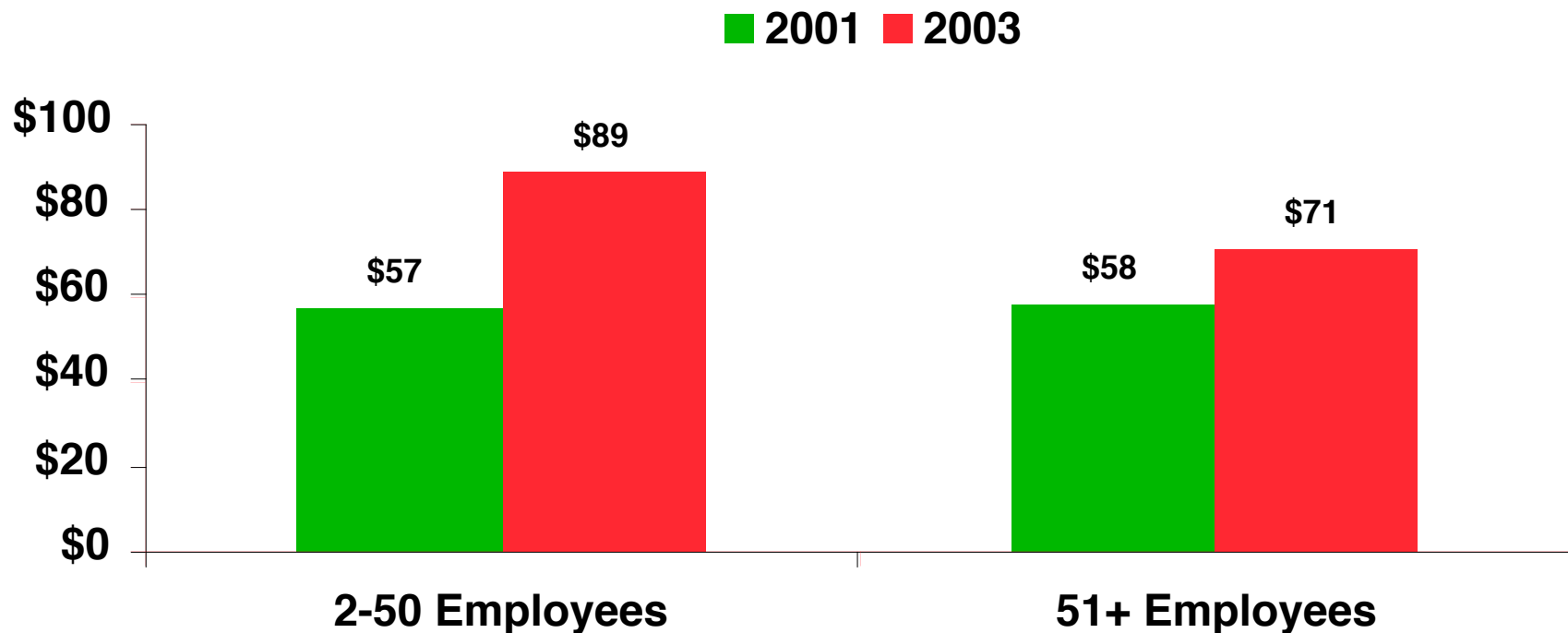
- Massachusetts small employers contributed a smaller percent to total individual premiums in 2003 than in 2001.
- Massachusetts large employers contributed a slightly greater percent in 2003 versus 2001.

Employee Monthly Contribution to Individual Plan Premium (2001, 2003)



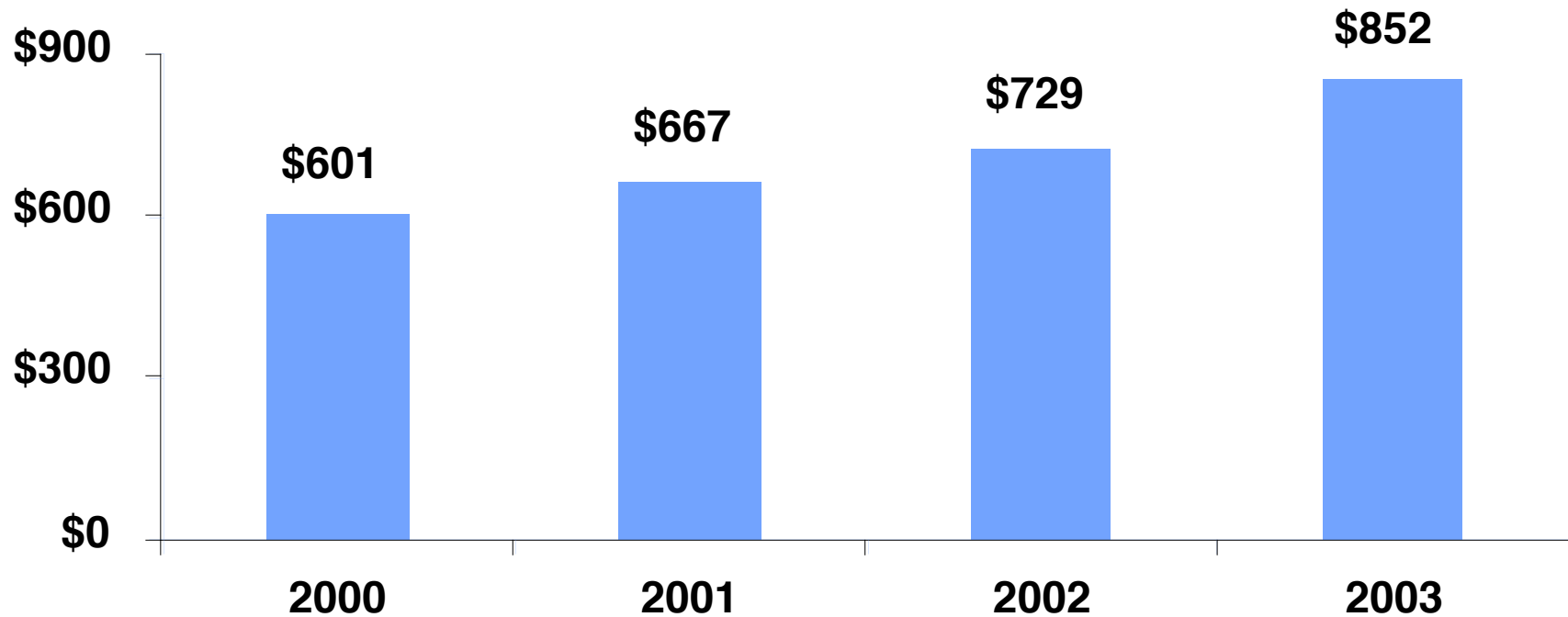
- The employee contribution to employer-sponsored individual plans increased 53% on average from 2001 to 2003. This increase was due to both the increase in total premium and the greater share of the premium employees had to contribute in 2003 compared to 2001.

Employee Contribution to Individual Plan Premium, by Employer Size (2001, 2003)



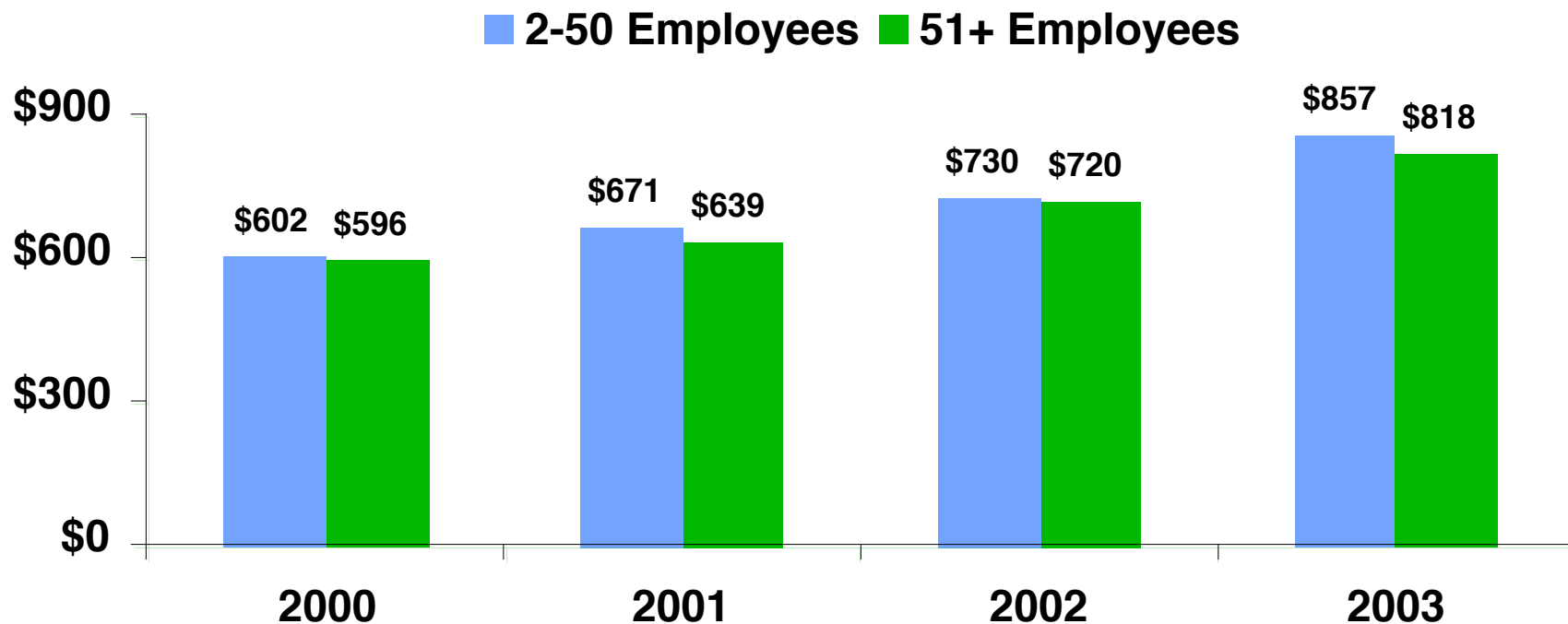
- Employee contribution to individual plans at small Massachusetts employers increased more significantly than the employee contribution at large employers (78% vs. 45%) from 2001 to 2003.

Monthly Premiums for Family Plans (2000-2003)



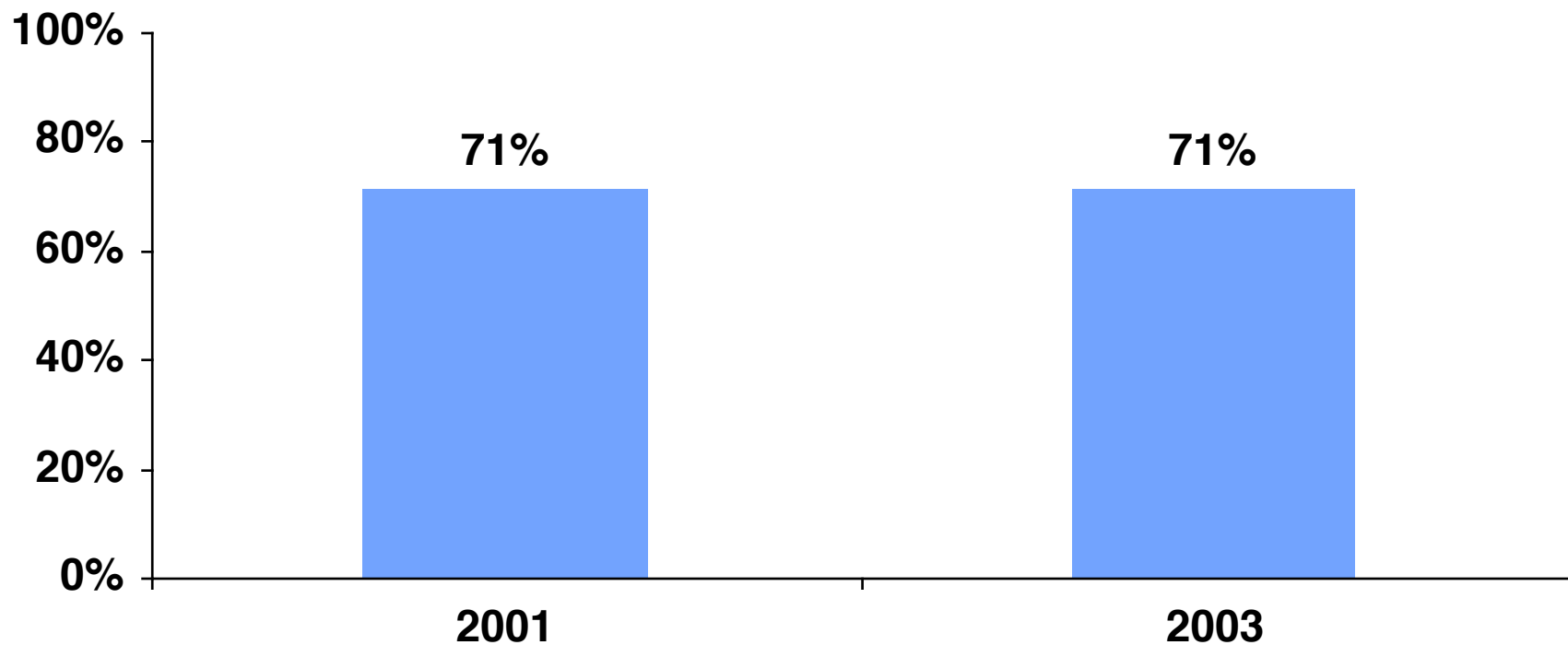
- From 2002 to 2003, premiums for family plans rose 17%, on average; from 2000 to 2003 they increased by 42%.

Total Premium for Family Plans, by Employer Size (2000-2003)



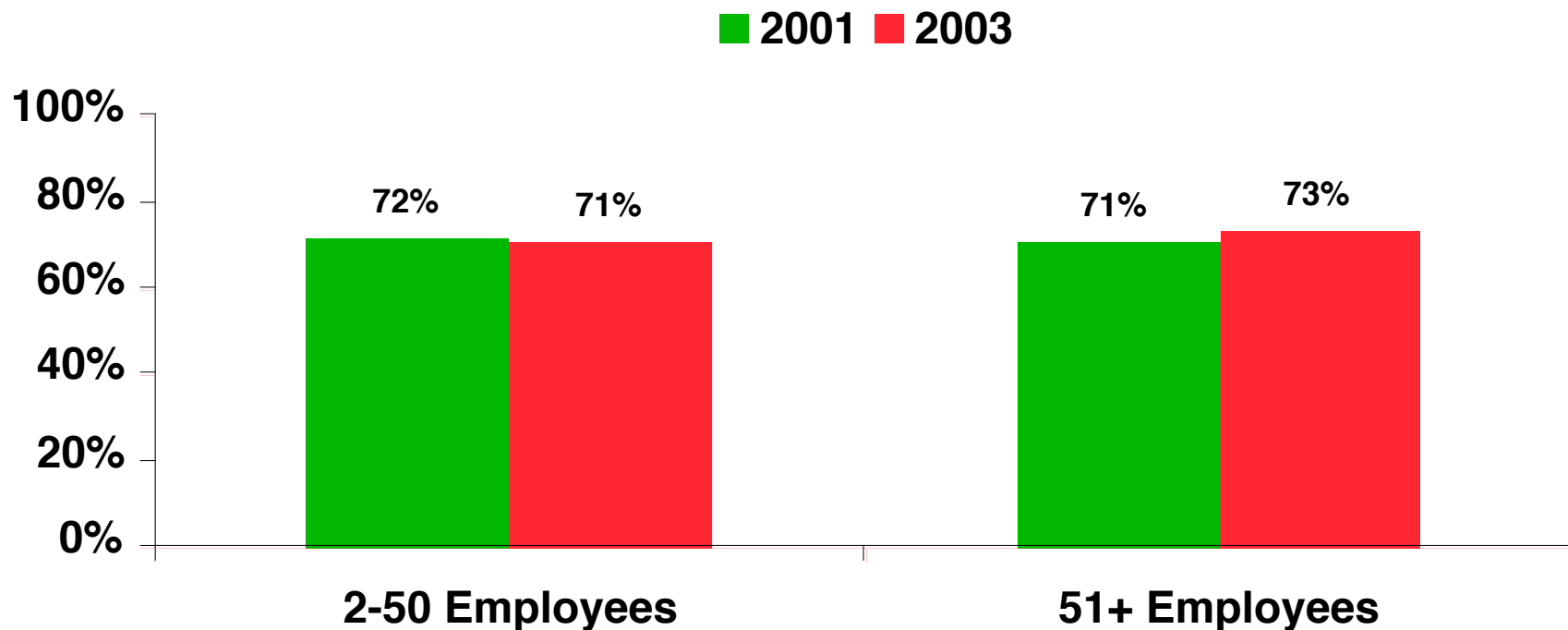
- Total premiums for plans through small employers were higher than for plans through large employers and grew at a somewhat faster rate (42% vs. 37%) from 2000 to 2003.

Employer Contribution to Total Family Plan Premium (2001, 2003)



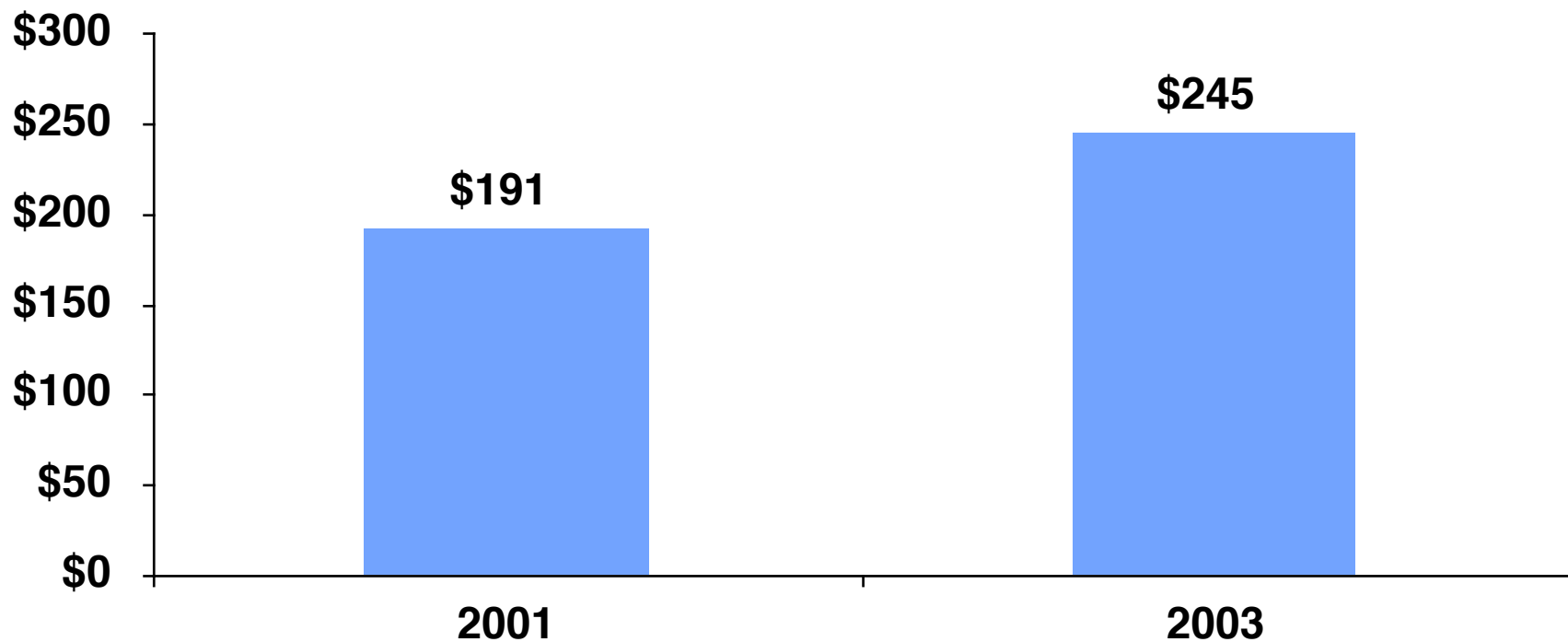
- The employer contribution to total premium for family plans remained constant from 2001 to 2003.

Employer Contribution to Total Family Plan Premium, by Employer Size (2001, 2003)



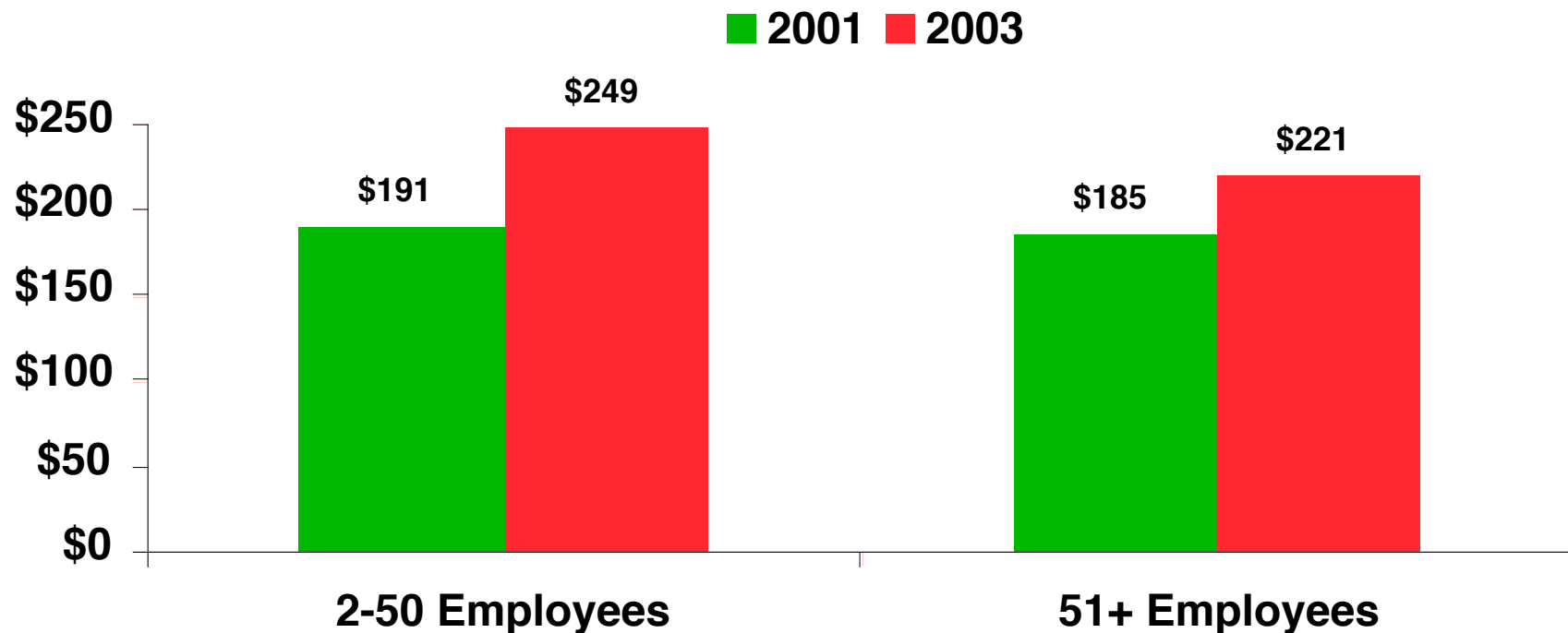
- Massachusetts small employers contributed a slightly smaller percent to total family premiums in 2003 than in 2001.
- Massachusetts large employers contributed a larger percent in 2003 than in 2001.

Employee Monthly Contribution to Family Plan Premium (2001, 2003)



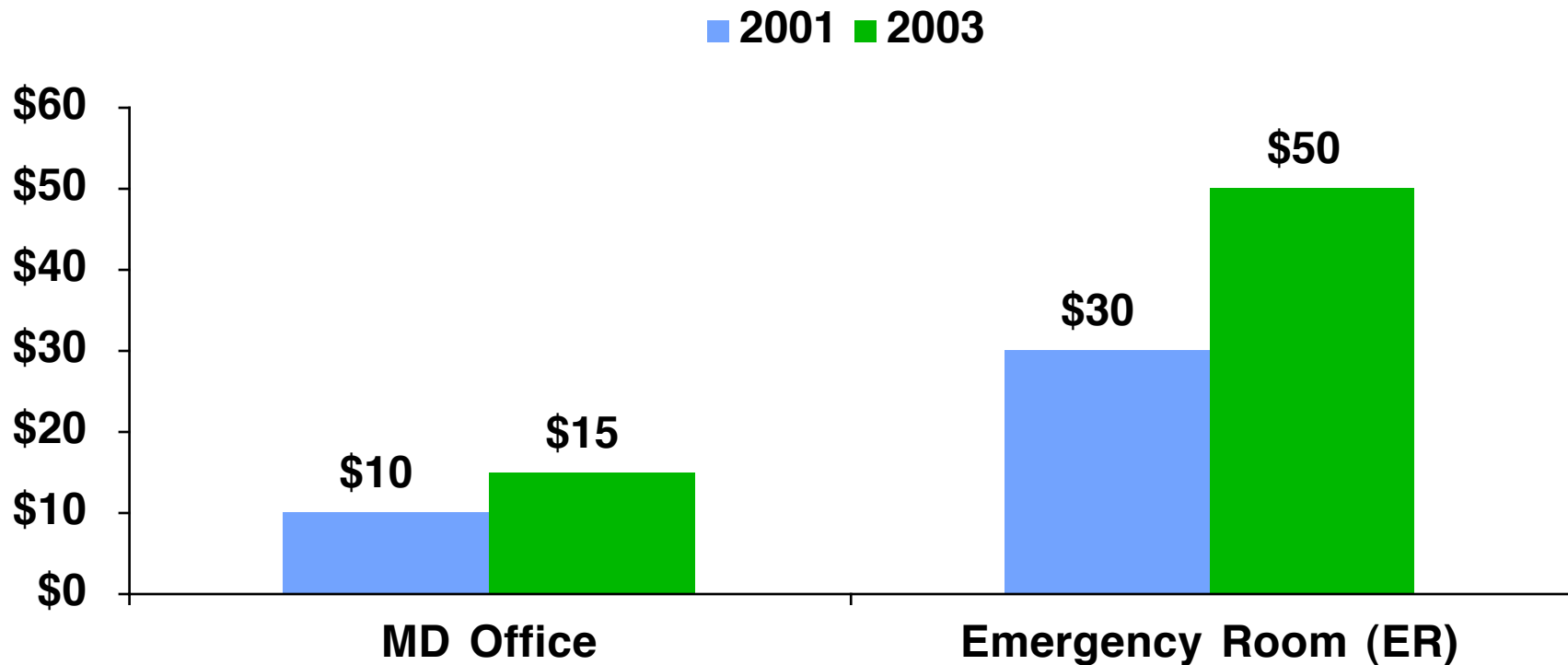
- Average employee contribution to employer-sponsored family plans increased 28% from 2001 to 2003.

Employee Contribution to Family Plan Premium, by Employer Size (2001, 2003)



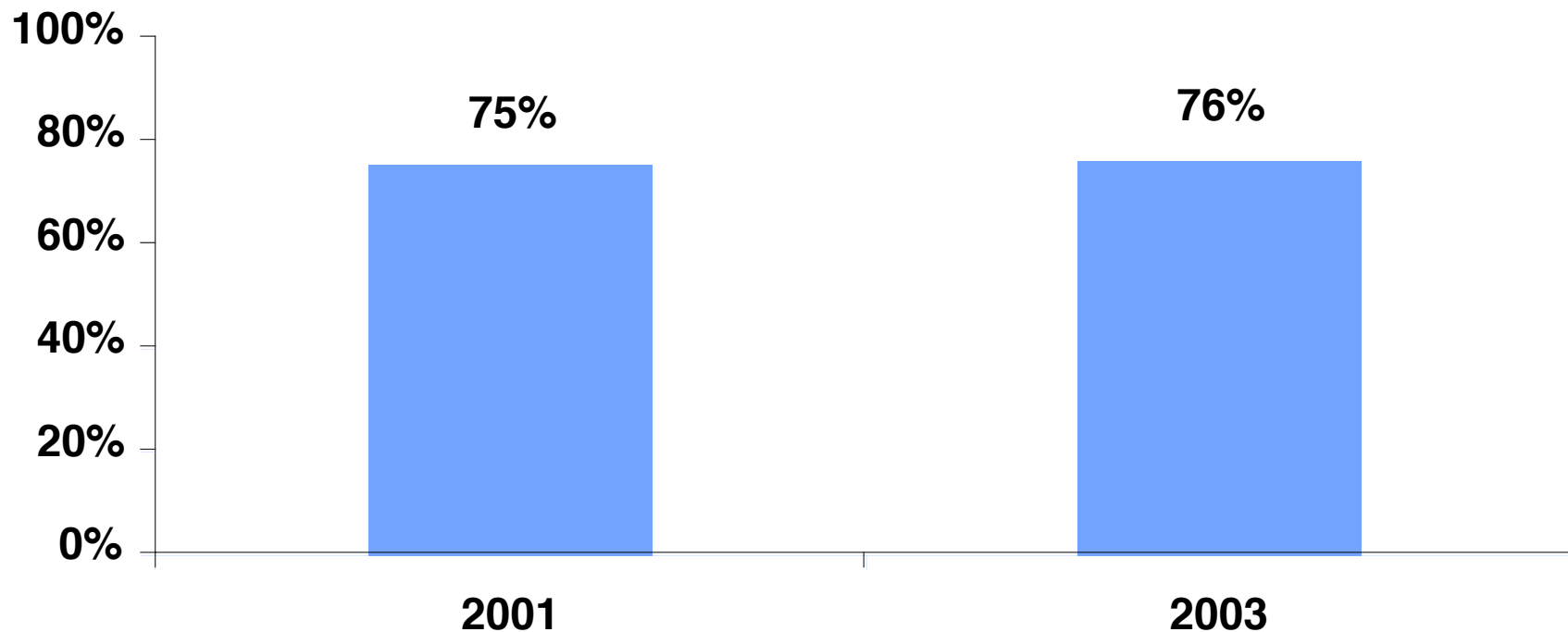
- Employee contribution to family plans at small Massachusetts employers increased more sharply than the employee contribution at large employers (30% vs. 19%).

Median Copayment Amounts, by Service Type (2001, 2003)



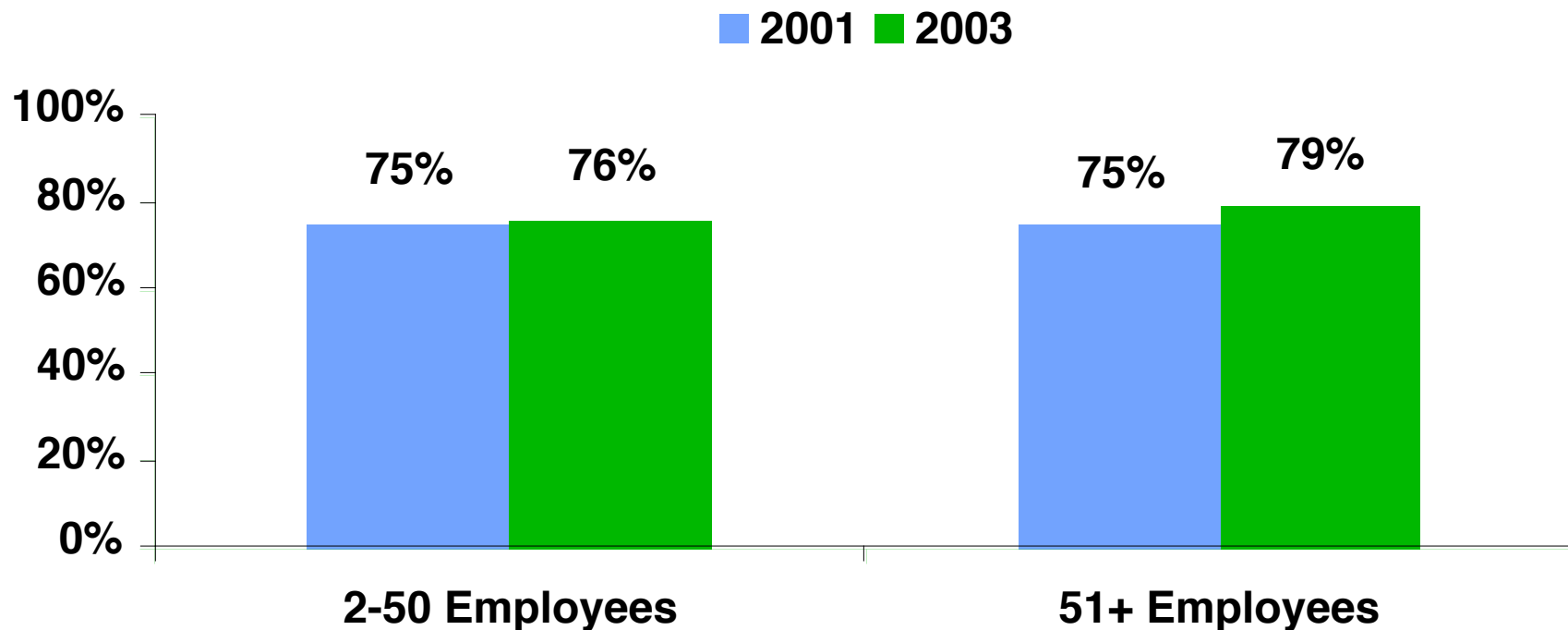
- From 2001 to 2003, median copayments increased for both physician office visits and ER visits.

Employees, Eligible for Insurance, Who Enroll (2001, 2003)



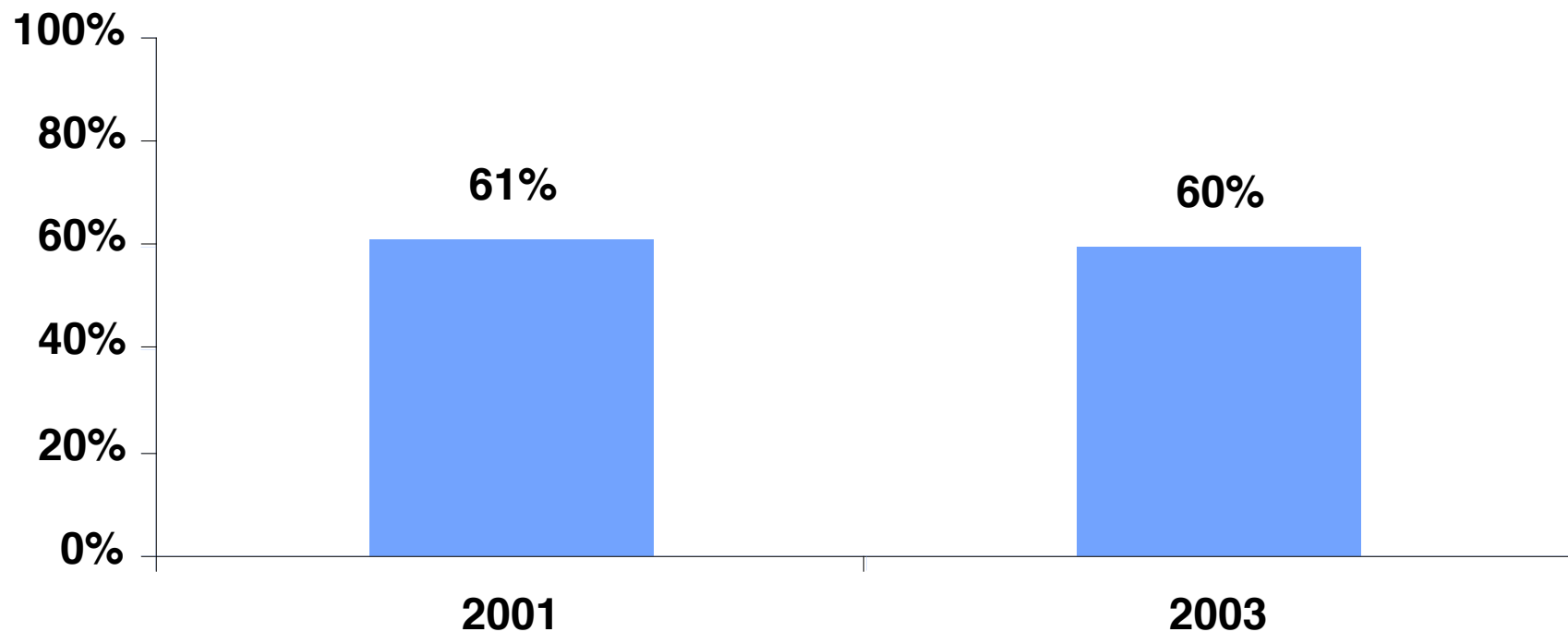
- Employers often offer insurance to some, but not all, of their employees. Hours worked per week (i.e., full-time vs. part-time status) is one of the most common factors that employers consider when deciding which employees have access to employer-sponsored insurance. Massachusetts employees with access to employer-sponsored insurance were slightly more likely to enroll in 2003 than in 2001; however, this difference is not statistically significant.

Employees, Eligible for Insurance, Who Enroll, by Employer Size (2001, 2003)



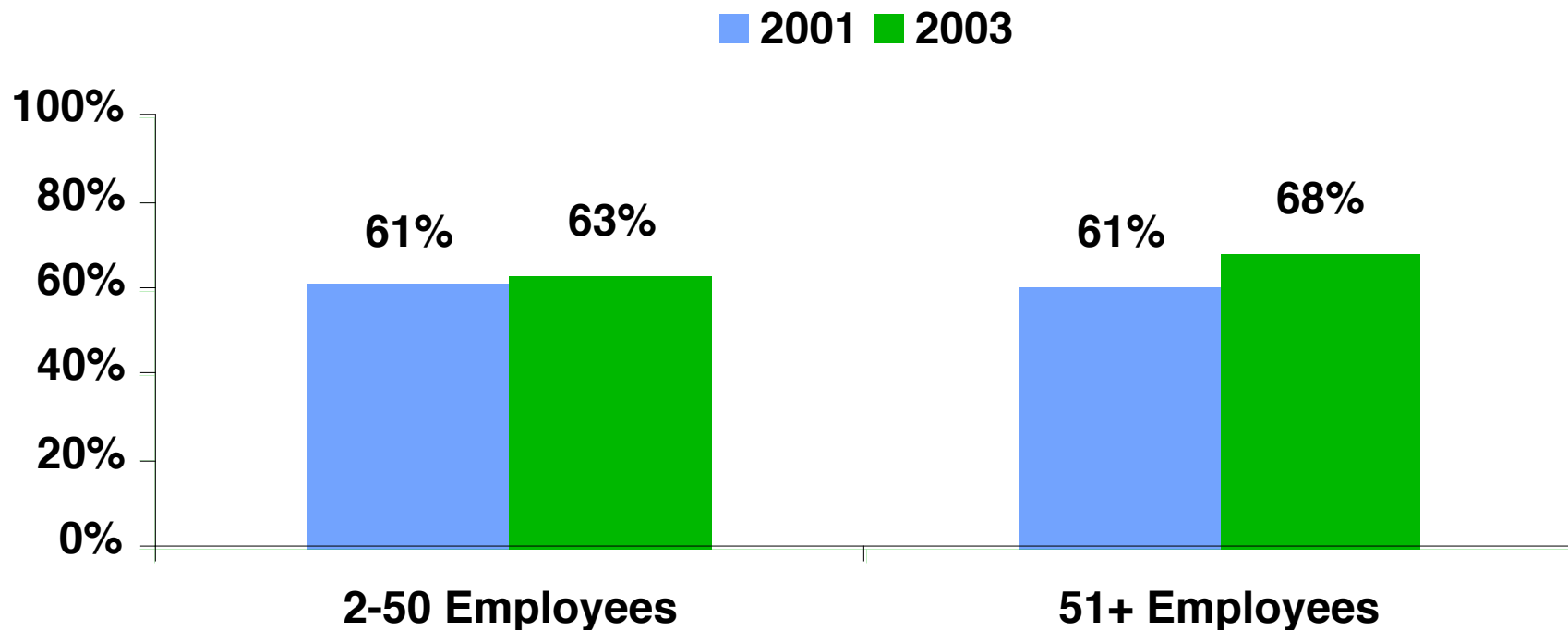
- Employers often offer insurance to some, but not all, of their employees. Hours worked per week (i.e., full-time vs. part-time status) is one of the more common factors that employers consider when deciding which employees have access to employer-sponsored insurance. In 2003, employees at both large and small Massachusetts employers were more likely to enroll in employer-sponsored insurance than they were in 2001. However, these increases are not statistically significant.

Employees Who Enroll in Employer-based Insurance (2001, 2003)



- The percent of employees who enroll in insurance measures the number of employees who accept offered insurance compared to all employees at that firm, even those not offered employer-sponsored insurance. Employees were slightly less likely to enroll in employer-sponsored insurance in 2003 than in 2001. However, the difference was not statistically significant.

Employees Who Enroll in Employer-based Insurance, by Employer Size (2001, 2003)



- The percent of employees who enroll in insurance measures the number of employees who accept offered insurance compared to all employees at that firm, even those not offered employer-sponsored insurance. In 2003, employees at small Massachusetts employers were less likely to enroll in employer-sponsored insurance than employees at large employers, although they were as likely in 2001. The change in enrollment from 2001 to 2003 was not statistically significant for either small or large employers.

Percent of Non-Offering Employers That Cite the Following Reasons for Why the Employer Doesn't Offer Insurance (2001, 2003)

Reason	2001	2003
Premiums Too High	81%	94%
Turnover Too Great	37%	41%
Employees Are Generally Covered Elsewhere	79%	85%
Administrative Hassle	25%	39%
Most Employees are Part-Time/Temporary/Contract	55%	58%
Can Attract Good Employees Without Offering	40%	44%
Organization Too Newly Established	23%	21%
Financial Status Prohibits Offering Insurance	57%	82%
Past Negative Experience with Offering Insurance	12%	10%

Percent of Non-Offering Employers Who Report That the Following Factors Would Motivate Them to Offer Insurance (2001, 2003)

Factor	2001	2003
Lower Premium	69%	54%
Eliminate Required Minimum Participation	57%	60%
Government Subsidy for Low Income Employees	55%	67%
Tax Credits	63%	82%